MPC CARIBBEAN CLEAN ENERGY LIMITED

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

MPC CARIBBEAN CLEAN ENERGY LIMITED

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

Table of Contents

	Page
Chairman's Report to Shareholders	2 to 3
Independent Auditor's Report	4 to 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Net Assets Attributable to Shareholders	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 to 21
Director/Officer Shareholding / Top 10 Shareholders	22

MPC CARIBBEAN CLEAN ENERGY

Chairman's Report to the Shareholders

Year Ended December 31st, 2022

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the audited financial statements of MPC Caribbean Clean Energy Limited (**Company or MPCCEL**) for the year ended December 31st, 2022.

Review of the year

With the successful integration of the asset in the Dominican Republic, the Monte Plata I solar park, into the portfolio, an important milestone in the organic growth of the asset portfolio was reached.

The expansion of the regional presence and thus, the active contribution to the transformation of the regional energy mix away from fossil fuels towards decarbonization and electrification across all sectors was implemented in accordance with the corporate strategy.

The Company continues to be on a stable growth path. The asset portfolio with an installed capacity of 112 megawatts (MW) showed an operational and financial underperformance that was primarily caused by adverse weather conditions and lower than projected resource availability, which continued during the entire year of 2022. Nevertheless, the capacity expansion increased the total annual energy production by 11% compared to 2021. It should be mentioned that the acquisition of the Monte Plata I solar park took place in May 2022 and is therefore only relevant to the result from this month.

The significant increases in revenues and EBITDA in 2022 compared to 2021 are primarily the result of portfolio expansion. EBITDA results have increased by 28.5% compared to 2021.

Portfolio Highlights

KPI	Full Year 2022	Full Year 2021
EBITDA	USD 5,691,845	USD 4,427,801
Energy Output Variation[1]	-11.65%	-3.84%
Weighted Average Availability[2]	99.15%	97.19%

[1] *Note: The Energy Output Variation is calculated as an accumulated difference of the actual generated energy (kWh) and the forecast (P50) energy output for the relevant period. P50 is essentially a statistical level of confidence and basis for our predicted energy generation.*

[2] *Note: Availability is defined as the percentage of time during a month that the wind turbine is operations-ready and available to produce power. This is independent of whether or not enough wind is available for the wind turbine to produce power. In regards to solar parks, it is the proportion of time that the is operations-ready and usable to produce power over a specified time period.*

Please note that the productive irradiation hours and wind speeds are depending on short (daily), mid (monthly) and long-term (annual and multi-year) weather patterns. Therefore, the high degree of variability of revenue and cost patterns are shown and revenue and costs are not equally distributed throughout the year. Subsequently, the KPI are most meaningful in an annual comparison.

Financial Summary for 2022

Since the inception of the Company, the value of the investment in MPC Caribbean Clean Energy Fund LLC grew in scale, such that its fair value at the end of 2022 was $28.6 million. However, due to the ongoing global macroeconomic environment incl. increasing interest rates, it is inevitable that the fair value estimation of the assets is exposed to adjustments. As a result of increasing cost of equity, the fair value of the portfolio of the Investment Company has been negatively affected in 2022 and following the results of the audit, the accounting treatment of the fair value of the investment in MPC Caribbean Clean Energy Fund LLC has been adjusted due to the impact of transactions and balances within the structure of various holding companies, however, it is a pure accounting calculation effect and the Company believes in a steady growth of the investment portfolio in the future.

As a result of changes in unrealized loss on investment in the Investment Company of $1,997,679 compared to unrealized gains of $888,442 reported in Q4 2022 unaudited interim financial statements, the Company reports a net comprehensive loss of $2.2 million and basic loss per share of $0.1 as of year end 2022.

Moreover, the financial results of MPC Caribbean Clean Energy Limited for the year end December 31st, 2022, indicate lower administrative expenses incurred in 2022 compared to 2021. The main driver is a reduction in extraordinary costs compared to previous years since its inception.

Environmental, Social, and Governance

MPCCEL integrates environmental, social and governance matters into its investment process. The Company aims to enhance the positive impacts and minimize any negative effects that could be caused by the projects in the portfolio.

In 2022, the assets in our portfolio avoided approximately 72,592.08 tons of CO2eq, 15% more than in 2021 (63, 538.38 tCO2eq). The increase is due to the acquisition of Monte Plata I solar park during 2022.

In 2022, a full ESIA (Enviromental and Social Impact Assessment) was executed for Monte Plata Phase II. During the ESIA, two protected species of flora were identified in the area of influence. A relocation management plan was created to protect the trees of these two species to mitigate any negative impacts.

MPCCEL continues its commitment and efforts in sustainable value creation, working together with the local communities where the assets are located. For instance, in 2022, donations of 50 LED street lights (US$10,000) were made to the municipality of San Isidro, El Salvador. The LED lamps light one of the main roads in the community, which is used by many people to commute to their jobs. The lights contribute to increasing citizen security and diminishing crime risks and at the same time LED is far more efficient than the current lighting representing savings for the municipality.

Outlook

The Company and RBC Investment Management (Caribbean) Limited (“RBC”) agree on an extension of the term for the Convertible Promissory Note. The current maturity date of the note is due on 31st of March 2023 and the extension period agreed between both parties is an additional three years with the new maturity date due on 31st March 2026.

The Company’s outlook is strongly linked to the projected resource availability in the region (meaning wind and solar resources). The first forecasts for 2023 are positive and experts assume that the La Nina phenomena will phase out in mid-2023. This should therefore result in a higher production potential compared to the previous year.

Another production-limiting factor for the solar PV asset San Isidro has been the operating inverters in 2022. The completion of replacement of all installed inverters, which started at the end of 2022, will be completed in Q1 2023 which will result in high availability and unrestricted production.

With the planned expansion of the solar PV assets in Dominican Republic Monte Plata Phase II with a targeted additional capacity of 40.5 MWp, the financial close with the senior lenders FMO and DEG and the start of the essential construction work are expected for Q2 2023.
At the same time, preparatory construction work is progressing, which should lead to a shortening of the construction work. The commissioning of the expanded solar park with a final total output of around 74 MWp is planned for Q2 2024



Fernando Zúñiga
Chairman of the Board of Directors

Tel: + 246 435 2001
Fax: + 246 437 5366
www.bdo.bb

BDO Barbados
The Gables Haggatt Hall
St. Michael BB11063
Barbados

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
MPC Caribbean Clean Energy Limited

Opinion

We have audited the financial statements of MPC Caribbean Clean Energy Limited (the "Company"), which comprise the statement of financial position as of 31 December, 2022, and the statement of comprehensive income, statement of changes in net assets attributable to shareholders and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments in MPC Caribbean Clean Energy Fund LLC

As of 31 December, 2022 the Company held investments in MPC Caribbean Clean Energy Fund, LLC ("MPC CCEF") that are measured at fair value through profit or loss which totaled USD 28,576,293 and represent 153.42% of the net assets attributable to shareholders. As required by IFRS 10.31, the Company has reflected the 85.69% ownership in MPC CCEF at fair value through profit or loss.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Shareholders of
MPC Caribbean Clean Energy Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Shareholders of
MPC Caribbean Clean Energy Limited

Other Information

The Directors are responsible for the other information presented with the financial statements. The other information comprises the information included in the Chairman's report to the Shareholders and the Director / Officer Shareholding / Top 10 Shareholders, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

This report has been prepared for and only for the MPC Caribbean Clean Energy Limited and its shareholders in accordance with the terms of our engagement letter dated 3 October, 2022 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BDO Barbados

Barbados
31 March, 2023

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Financial Position

As at December 31, 2022
(Expressed in United States dollars)

	NOTE	2022 USD	2021 USD
Assets			
Cash and cash equivalents		164,442	316,174
Prepayments		12,417	8,602
Investment in MPC Caribbean Clean Energy Fund LLC, at fair value though profit or loss	**3, 4**	28,576,293	30,573,972
Total assets		28,753,152	30,898,748
Liabilities			
Accruals		27,000	19,500
Accounts payable		77,825	45,591
Due to related party	**5**	21,654	21,654
Convertible promissory note	**6**	10,000,000	10,000,000
Liabilities (excluding net assets attributable to shareholders)		10,126,479	10,086,745
Net assets attributable to shareholders		18,626,673	20,812,003
Represented by:			
Share capital	**7**	20,005,779	20,005,779
(Accumualted Deficit)/ Retained Earnings		(1,379,106)	806,224
		18,626,673	20,812,003

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by the Board of Directors on March 31, 2023

By: Guardian Nominees (Barbados) Limited
Title: Director
Per: Jan D. Scantlebury / Shelly-Anne N. Yarde

By: Jose Fernando Zuniga Galindo
Title: Chairman

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Comprehensive Income

For the financial year ended December 31, 2022
(Expressed in United States dollars)

	NOTE	2022	2021
		USD	USD
Investment income			
Net change in unrealized loss on investment in MPC Caribbean Clean Energy Fund LLC	**4**	(1,997,679)	1,347,254
Total investment (loss)/ income		(1,997,679)	1,347,254
Expenses			
Administrative fees		61,776	62,550
Advertising costs		34,921	14,310
Insurance expense		20,819	17,493
Directors' fees		19,083	18,500
Audit fee		18,375	23,375
Administrative compensation		12,030	37,709
Accountancy fees		8,600	8,600
Legal & professional fees		6,174	17,972
Bank charges		3,873	2,816
Corporate fees		1,500	1,500
License fees		500	500
Total expenses		187,651	205,325
Comprehensive (loss) / income before taxation		(2,185,330)	1,141,929
Taxation		-	-
Net comprehensive (loss) / income		(2,185,330)	1,141,929
		USD	USD
Basic (loss) / earnings per share	**8**	(0.10)	0.05

The accompanying notes form an integral part of these financial statements.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Changes in Net Assets Attributable to Shareholders

For the financial year ended December 31, 2022
(Expressed in United States dollars)

	Class A Share Capital	Class B Share Capital	Retained Earnings / (Accumulated Deficit)	Total
	USD	USD	USD	USD
Balance as at December 31, 2020	1	20,005,778	(335,705)	19,670,074
Net comprehensive income for the year	-	-	1,141,929	1,141,929
Balance as at December 31, 2021	1	20,005,778	806,224	20,812,003
Net comprehensive loss for the year	-	-	(2,185,330)	(2,185,330)
Balance as at December 31, 2022	1	20,005,778	(1,379,106)	18,626,673

The accompanying notes form an integral part of these financial statements.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Statement of Cash Flows

For the financial year ended December 31, 2022
(Expressed in United States dollars)

	2022	2021
	USD	USD
Cash flows from operating activities		
Net comprehensive (loss) / income for the year	(2,185,330)	1,141,929
Investment purchases	-	(10,000,000)
Adjustments for non-cash income and expenses:		
Net change in unrealized gain/ loss on investment in MPC Caribbean Clean Energy Fund LLC	1,997,679	(1,347,254)
Changes in operating assets and liabilities:		
Increase in prepayments	(3,815)	(3,935)
Increase / (decrease) in accruals	7,500	(12,281)
Increase in accounts payable	32,234	41,874
Net cash used in operating activities	(151,732)	(10,179,667)
Net decrease in cash and cash equivalents	(151,732)	(10,179,667)
Cash and cash equivalents at the beginning of the year	316,174	10,495,841
Cash and cash equivalents at the end of the year	164,442	316,174

The accompanying notes form an integral part of these financial statements.

Note 1 – COMPANY BACKGROUND

MPC Caribbean Clean Energy Limited (the "Company") was incorporated on November 8, 2017, under the laws of Barbados and operates as an International Business Company as defined by the International Business Companies Act 1991 - 24. With effect from January 1, 2019, the International Business Companies Act 1991-24 was repealed. The Company continues as a Regular Business Company under the Companies Act Cap. 308.

The Company is part of a “master-feeder” structure whereby it invests substantially all of its assets in MPC Caribbean Clean Energy Fund LLC (“MPC CCEF”), a Limited Liability Company incorporated under the laws of Cayman Islands. The investment objective of MPC CCEF is to generate attractive risk adjusted returns with an emphasis on capital protection, generating stable cash yields, and capital appreciation, through investments primarily in solar PV and wind farm assets in the Caribbean. At December 31, 2022 and 2021, the Company owned 85.69% of MPC CCEF.

MPC Clean Energy Ltd, holder of the Management Share of the Company (see Note 7), acts as the Manager of MPC CCEF (the “Company Manager“). Investment decisions for MPC CCEF are made by the Company Manager. In connection with its appointment as Company Manager and its exercise of investment discretion for MPC CCEF, the Company Manager has appointed MPC Capital GmbH, the sole shareholder of the Company Manager and a 100% subsidiary of MPC Capital AG, as the investment adviser to the Company Manager.

Following the Directors resolution on November 5, 2018 to approve the initial public offer of up to 50,000,000 of the Company’s Class B Redeemable Participating and Voting Shares without par value (“the IPO”) at and for the price of JA$135.00 per Share in Jamaica and US$1.00 per share in Trinidad and Tobago, the IPO of Class B Shares at the Jamaican and Trinidad & Tobago Stock Exchanges raised a total amount of USD 11,424,160. On January 14, 2019 the Company was admitted to commence trading by both the Trinidad and Tobago Stock Exchange (TTSE) and the Jamaica Stock Exchange’s (JSE) Main Market, and the US Dollar Equity Markets. The ratification of the new Class B shareholders and the drawdown of the subscription funds received following the IPO were agreed upon by a resolution of the Board of Directors dated January 22, 2019. Funds raised in the IPO, amounting to approximately USD 10,650,000, were invested into MPC CCEF in March 2019.

On November 8, 2019, the Company opened a Rights Issuance where existing Class B shareholders were given the option to acquire two new shares for every share they originally owned. All the non-exercised rights were made available to new investors to purchase. The issuance period closed on January 10, 2020. All applications were satisfied in full and 10,242,382 new Class B shares were issued and allotted to applicants in both the markets of Jamaica and Trinidad and Tobago, increasing the total Class B shares issued to 21,666,542. On July 7, 2020, the corporate and AML requirements were completed and on July 13, 2020 the raised funds of USD 9,292,373, net of underwriting costs and administrative expenses, were invested into MPC CCEF.

The Company's registered number is:- 42056
The Company's registered office address is:-

Suite 1, Ground Floor
The Financial Services Centre
Bishop's Court Hill
St. Michael, Barbados, BB14004

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation
The financial statements are presented in USD (United States Dollars), which is the functional currency of the Company and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") circulated by the International Accounting Standards Board ("IASB"). The financial statements are prepared on a going concern basis which anticipates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company will continue to rely on its shareholders and / or outside financing to meet its commitments.

2.2 Use of accounting estimates
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. These estimates are based on historical experience and management's best knowledge of current events and are reviewed on an ongoing basis. Actual results could differ from those estimates. The effect of a change in an accounting estimate is included in the determination of investment income during the period reported.

2.3 Investment Entity
The Company is considered to meet the definition of an investment entity as defined by IFRS 10 as it indirectly invests in more than one investment through MPC CCEF, it has more than one investor, it has investors that are not related parties and it offers ownership interests to which a proportionate share of the net assets of the Company are attributable. As required by IFRS 10.31, the Company has therefore reflected the 85.69% ownership in MPC CCEF at fair value through profit or loss. Accordingly, changes in the fair value of the investment are recorded as profit or loss in the statement of comprehensive income.

2.4 Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in United States Dollars "USD", which is the Company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

2.5 Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of ninety days or less when purchased.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Financial Instruments

Financial Assets

(i) Recognition and measurement
Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within change in unrealised gain/(loss) on investment in MPC CCEF.

The Company classifies its investment in MPC CCEF at fair value through profit or loss ("FVTPL"). Cash and cash equivalents are classified as financial assets at amortised cost.

(ii) Derecognition
Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial Liabilities

(i) Recognition
A financial liability is a contractual obligation to deliver cash or another financial asset to another entity under conditions that are potentially unfavourable to the entity. The Company includes in this category accounts payable, due to related party, convertible promissory note and net assets attributable to shareholders.

(ii) Derecognition
Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company records its investment in MPC CCEF at fair value, based on its proportionate share of the net asset value of MPC CCEF.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Distributions
Proposed distributions to holders of redeemable participating shares are recognised in the statement of changes in net assets attributable to shareholders when they are appropriately authorised and no longer at the discretion of the Company. This typically occurs when a proposed distribution is ratified by the Directors.

2.8 Revenue recognition
Gains and losses from changes in fair value of financial assets at fair value through profit and loss are included in the Statement of Comprehensive Income in the period which they arise.

2.9 Expense recognition
Accounts payables are recognized initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.10 Related parties
Transactions between the Company and related parties are accounted for as related party transactions if one of the parties has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.11 Taxation
The taxation charged is determined on the basis of tax effect accounting using the liability method which takes account of any material differences arising from the inclusion of items of income and expenditure in taxation computations of a period different from those in which they are included in the financial statements and to the extent that a material liability or asset is expected to crystallise in the foreseeable future.

The Company currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income. No withholding tax was recorded for the year ended 2022 and 2021.

2.12 New and revised accounting standards
There are a number of new and revised accounting standards that became effective for periods beginning on January 1, 2022. None of these had a significant impact on the Company’s financial statements.

Note 3 – INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

- Fair value estimation

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes ‘observable’ requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Note 3 – INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT (Continued)

The following table analyses, within the fair value hierarchy, the Company's assets and liabilities measured at fair value as at December 31, 2022 and 2021.

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial instruments measured at fair value through profit or loss				
Investment in MPC CCEF	-	-	28,576,293	28,576,293
	-	**-**	28,576,293	28,576,293

2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial instruments measured at fair value through profit or loss				
Investment in MPC CCEF	-	-	30,573,972	30,573,972
	-	**-**	30,573,972	30,573,972

The following table analyses the changes in the Company's Level 3 assets as at December 31, 2022 and 2021.

	2022	**2021**
	USD	USD
At January 1	30,573,972	19,226,718
Additional investment	-	10,000,000
Fair value adjustment	(1,997,679)	1,347,254
At December 31	28,576,293	30,573,972

Note 4 – INVESTMENT ACTIVITIES

MPC CCEF prioritises investments in solar PV and wind projects, ranging from 10 MW to 100 MW in size, in the Caribbean and Central American regions, more specifically in the member states, associate members and observers of the Caribbean Community (CARICOM) and Costa Rica, Jamaica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, as these countries are characterised by a growing demand for electricity, high prevailing energy costs, enabling environments and relatively low levels of competition.

In April 2018, MPC CCEF acquired a 68.8% shareholding in EREC Investment Ltd., a Barbadian company holding 49.99% of shares in Eight Rivers Energy Company Limited (“EREC”), a company engaged in the development and construction of the Paradise Park, a utility-scale solar farm situated on a 200-acre ground-leased site in Jamaica. The project reached financial close in June 2018 and, following construction and development, the plant began operating in June 2019.

Note 4 – INVESTMENT ACTIVITIES (Continued)

In 2018, MPC CCEF also entered into an agreement with ANSA McAL Limited for the joint acquisition of Tilawind Wind Farm, a 21MW utility-scale wind farm consisting of seven Vestas V90-3.0MW Wind Turbine Generators (WTGs) in Costa Rica, owned and operated by Tilawind Corporation S.A, a Costa Rican corporation limited by shares. The joint venture purchase was acquired through a Barbados international business company named CCEF ANSA Renewable Energies Holdings Limited ("CARE"). Effective April 26, 2019, the investment in the Costa Rican Wind Farm was commercially completed.

In December 2020, MPC CCEF entered into a Share Purchase Agreement for the acquisition of a 6.4 MWp solar park in San Isidro, El Salvador. This acquisition was made through MPC Renewables Central America and Caribbean, S.A., a company incorporated in Panama and wholly owned by MPC CCEF. Construction began in the second quarter of 2020 and commissioning and operations commenced at the beginning of 2021. The asset acquisition occurred in February 2021 when MPC CCEF made a payment of USD 2,039,038 on behalf of MPC Renewables Central America and Caribbean, S.A. for the purchase of the shares under the Share Purchase Agreement.

In June 2021, MPC CCEF, through CARE, entered into a share purchase agreement by which it has acquired 72.794% of the total share capital of Electronic J.R.C. S.R.L., a company incorporated and existing under the laws of the Dominican Republic (the "Project") through its direct minority holding (1 share) in the Project as well as its indirect holding, through a Spanish holding company, Monte Plata Solar Holding, Sociedad Limitada ("ETVE"). The Project consists of two phases, Phase I of the Project has a module capacity of approx. 33,389.40 kWp ("Phase I") and was completed on the 9th of May 2022. Phase II of the Project has a module capacity of approx. 40,500 kWp ("Phase II") and is still under development. MPC CCEF, through CARE, has invested USD 3,792,429 in the form of capital contribution to ETVE for the purchase of Phase I. MPC CCEF, through CARE, has also invested USD 1,543,918 for Phase II as a direct contribution to ETVE and USD 100,070 also for Phase II for transaction fees.

During the year ended December 31, 2022 an unrealised loss of USD 1,997,679 was recorded in the statement of comprehensive income (2021: unrealised gain of USD 1,347,254).

Note 5 – RELATED PARTY BALANCES AND TRANSACTIONS

The following transactions were carried out with related parties:

(a) Due to related party
The balance due to related party is unsecured, interest free, has no stated terms of repayment and comprises an amount due to MPC Capital GmbH for fees paid on behalf of the Company.

The carrying value of amounts due to related party' is as follows:

	2022	**2021**
	USD	USD
At January 1	21,654	21,654
At December 31	21,654	21,654

Note 5 – RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) Key management compensation
Total remuneration to the Board of Directors and other members of key management (including salaries and benefits) for the year ended December 31, 2022 was USD 19,083 (2021: USD 18,500).

Note 6 – CONVERTIBLE PROMISSORY NOTE

On December 9, 2020, MPC Caribbean Clean Energy Limited issued a convertible promissory note to RBC Trust (Trinidad & Tobago) Limited (the 'Holder'), in the amount of USD 10,000,000. This convertible promissory note is non-interest bearing but entitles the Holder to distributions of profits of the Company, from and including the issuance date, at a rate of one Class B share for every $1 of the principal sum of the note held but limited to a maximum return of eight percent (8%) per annum. All payments of distributions in respect of this note shall be payable in same day funds to the Holder on the dates and times upon which dividends are declared and payable in respect of the Class B shares of the Company by the Directors of the Company.

At maturity, March 31, 2023, if the principal sum of the note is unpaid in cash on that date or earlier, the note will be converted into Class B shares of the Company at the rate of one Class B share for every one United States dollar (USD1) of the principal sum of the note held by the Holder. Such conversion will be subject to approval by a majority of the shareholders of the Company at a general meeting of the shareholders.

On September 21, 2021, the company used the proceeds of the convertible promissory note to make an additional capital contribution of USD 10,000,000 in MPC CCEF for the funding of the acquisition of the solar parks in San Isidro and Monte Plata (see Note 4).

Note 7 – SHARE CAPITAL

On incorporation in 2017, the Company was authorised to issue an unlimited number of shares without nominal or par value of 1 Class designated as common shares. As at December 31, 2017, 1 share was issued and fully paid. On January 4, 2018 the Company's share capital was amended as follows:-

(a) to issue an unlimited number of voting, non-participating shares re-designated as Class A shares with no par value (also known as "Management Shares")
(b) to issue an unlimited number of Class B redeemable participating and voting shares with no par value (also known as "Participating Shares")
(c) to issue an unlimited number of Class C redeemable participating and voting shares with no par value (also known as "Participating Shares")

Subsequently, on October 17, 2018 an amendment removed the Class C shares. At the same time, the rights of the Class B shares were varied primarily so that they may be redeemed by the Directors in the By-Laws from time to time and that they shall be listed on the Jamaica Stock Exchange, the Trinidad and Tobago Stock Exchange and/or any other exchange that the Directors may deem appropriate.

Note 7 – SHARE CAPITAL (Continued)

On January 14, 2019 the Company was admitted to commence trading by both the Trinidad and Tobago Stock Exchange (TTSE) and the Jamaica Stock Exchange's (JSE) Main Market. At the statement of financial position date, 5,390,420 redeemable Class B shares on the Trinidad and Tobago Stock Exchange (TTSE) were subscribed and fully paid up at a price of USD 1 per share, and 6,033,740 redeemable Class B shares on the Jamaica Stock Exchange's (JSE) Main Market were subscribed and fully paid up at a price of USD 1 per share.

On November 8, 2019, the Company opened a renounceable rights issue where existing shareholders in Trinidad and Tobago and Jamaica were given the option to acquire two new shares for every share that they originally owned. All the non-exercised rights were made available to new investors to purchase.

The issuance period closed on January 10, 2020. All applications were satisfied in full and 10,242,382 new Class B shares were issued and allotted to applicants in both the markets of Jamaica and Trinidad and Tobago, increasing the total Class B shares issued to 21,666,542. On July 7, 2020, the corporate and AML requirements were completed and on July 13, 2020, the raised funds, net of underwriting costs and administrative expenses, were invested into MPC CCEF. As at December 31, 2022 and 2021, there are 21,666,542 Class B redeemable participating and voting shares without par value in issue.

At the statement of financial position date, 1 Class A share and 21,666,542 Class B shares were subscribed and fully paid.

The Class A Share (the “Management Share”) is held by the Company Manager. The ultimate owner of the Company Manager is MPC Muenchmeyer Petersen Capital AG, a publicly listed German company (ISIN: DE000A1TNWJ4).

Note 8 – EARNINGS PER SHARE

Earnings per share:	**2022**	**2021**
	USD	**USD**
Net (loss) / income before tax	(2,185,330)	1,141,929
Weighted average shares	21,666,542	21,666,542
(Loss) / earnings per share for (losses) / profit attributable to the Class B shareholders of the Company	(0.10)	0.05
Diluted earnings per share:		
Shares in issue	21,666,542	21,666,542
Hypothetical promissory note conversion	10,000,000	10,000,000
Weighted average shares	31,666,542	31,666,542
(Loss) / earnings per share for (losses) / profit attributable to the Class B shareholders of the Company	(0.07)	0.04

Note 9 – DISTRIBUTIONS RECEIVED AND PAID

No distributions were made during the years ended December 31, 2022 and 2021.

Note 10 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support its operational activities and maximize shareholders value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue or redeem shares and pay dividends to shareholders.

Note 11 – RISK MANAGEMENT

Financial Risk

Due to the nature of the master-feeder structure, the Company's investment in MPC CCEF may expose it to various types of risk, the amounts of which are not apparent from the financial statements. The most important types of financial risk to which the Company is exposed to are; market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The following summary is not intended to be a comprehensive outline of all risks and investors should refer to the Prospectus for a detailed discussion of the risks inherent in the Company.

- Market risk

Market risk embodies the potential for both losses and gains and includes interest rate risk, price risk, and currency risk. The Company's strategy on the management of investment risk is driven by the Company's investment objective. The Company's market risk is managed on a daily basis by the Company Manager in accordance with the Company's Bylaws.

- Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk is managed on a daily basis by the Company Manager in accordance with policies and procedures in place. The Company's direct exposure to interest rate risk is on cash balances. Interest rate risk on cash is not considered to be significant for the Company therefore no sensitivity analysis has been prepared.

- Price risk

Price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Company's financial instruments are carried at fair value through profit and loss, all changes in market conditions will directly affect net income. The Company Manager is responsible for continuously monitoring the Company's exposure to price risk through its investments in MPC CCEF. If the market prices increase or decrease by 10% with all other variables held constant, the value of investment would increase or decrease by USD 2,857,629 (2021: USD 3,057,397) as a result of gains or losses on the investment designated as FVTPL.

Note 11 – RISK MANAGEMENT (CONTINUED)

Currency risk

The Company only invests in financial instruments that are denominated in USD, its functional currency, but enters into service agreements denominated in currencies other than the USD. Consequently, the Company is exposed to limited risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fees from service agreements in other currencies. At the reporting date, the carrying amount of the Company's net financial assets and financial liabilities held in individual foreign currencies is insignificant. Consequently, no sensitivity analysis has been prepared.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. As at December 31, 2022, some of the Company's financial assets potentially expose it to credit risk. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The Company's cash balances are primarily with CIBC FirstCaribbean International Bank (Bahamas) Ltd., an unrated bank. The Company does not expect any losses as a result of this concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation.

All of the Company's financial liabilities fall due within one year.

Note 12 – SUBSEQUENT EVENTS

In March 2023, the Company reached a tentative agreement with RBC Investment Management (Caribbean) Limited ("RBC") regarding an extension of the term for the Convertible Promissory Note. The original maturity date was on March 31, 2023 and the extension period is agreed for 3 additional years.

From January 1, 2023 to the date of the audit report, there were no other significant events to be disclosed.

MPC CARIBBEAN CLEAN ENERGY LIMITED
Director/Officer Shareholding / Top 10 Shareholders

MPC CARIBBEAN CLEAN ENERGY LIMITED
TOP 10 SHAREHOLDINGS
As at December 31st, 2022

	Name	Joint Holder/ Connected interest	Volume	Percentage
1	TEACHERS CREDIT UNION CO-OPERATIVE SOCIETY LIMITED	-	5,448,301	25.15%
2	SAGICOR POOLED EQUITY FUND	-	4,192,300	19.35%
3	SAGICOR BALANCED FUND	-	2,307,690	10.65%
4	JN FUND MANAGERS LIMITED FOR JN POOLED PENSION LOCAL EQUITY FUND	-	1,494,428	6.90%
5	DEVELOPMENT BANK OF JAMAICA LIMITED	-	1,000,000	4.62%
6	MF&G ASSET MANAGEMENT LTD. - JAMAICA INVESTMENTS FUND TRUSTEE, JA. INVESTMENT (INCOME & GROWTH) FUND	-	822,000	3.79%
7	MPC CARIBBEAN CLEAN ENERGY FEEDER LIMITED	-	691,821	3.19%
8	NCB INSURANCE CO. LTD. A/C WT157	-	429,000	1.98%
9	SAGICOR EQUITY FUND	-	384,610	1.78%
10	JAMAICA MONEY MARKET BROKERS LTD FM10	-	321,000	1.48%

MPC CARIBBEAN CLEAN ENERGY LIMITED
DIRECTOR SHAREHOLDINGS
As at December 31st, 2022

	Name	Joint Holder/ Connected interest	Volume	Percentage
	Fernando Zuniga	-	-	-
	Alastair Dent	-	-	-
	Lisl Bettina Lewis	-	-	-
	Guardian Nominees (Barbados) Limited	-	-	-